



STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of



DECISION

FTI/166723

PRELIMINARY RECITALS

Pursuant to a petition filed June 15, 2015, under Wis. Stat. § 49.85(4), and Wis. Admin. Code §§ HA 3.03(1), (3), to review a decision by the Milwaukee Enrollment Services in regard to FoodShare benefits (FS), a hearing was held on July 08, 2015, at Milwaukee, Wisconsin.

The issue for determination is whether the Department correctly sought to intercept the Petitioner's tax refund to collect an overpayment of FoodShare benefits.

There appeared at that time and place the following persons:

PARTIES IN INTEREST:

Petitioner:



Respondent:

Department of Health Services
1 West Wilson Street, Room 651
Madison, Wisconsin 53703

By: Katherine May, HSPC senior
Milwaukee Enrollment Services
1220 W Vliet St, Room 106
Milwaukee, WI 53205

ADMINISTRATIVE LAW JUDGE:

Gary M. Wolkstein
Division of Hearings and Appeals

FINDINGS OF FACT

- 1. Petitioner (CARES # [redacted]) is a resident of Milwaukee County who resided in a FS group of three during the FS overpayment period of August 1, 2006 to June 30, 2012.
2. On August 13, 2012, Milwaukee Enrollment Services (MES) issued six Notifications of Food Stamp Overissuance to the petitioner at her correct address of record advising her that it was seeking repayment of \$34,551 in FS benefit overpayments from the period of August 1, 2006

through June 30, 2012, due to the petitioner's failure to report to MES her self-employment income. See Exhibits 3 and 1.

3. The Department sent Dunning notices to the petitioner regarding her FS overpayments on March 4, 2013, September 4, 2013, and December 2, 2014.
4. The petitioner did not file any timely appeal to the Division of Hearings and Appeals (DHA) regarding her August 13, 2012 FS overpayment notices.
5. The Department sent a June 12, 2015 FS tax intercept notice to the petitioner at her correct address notifying petitioner that the remaining unpaid FS overpayment of \$33,441 would be recovered through interception of her state or federal income taxes or credits.
6. The Petitioner mailed an appeal letter to the Division of Hearings and Appeals (DHA) postmarked on June 15, 2015, which was received at DHA on June 17, 2015. That appeal letter requested an appeal of her June 12, 2015 tax intercept notice and the underlying FS overpayments.
7. The petitioner was unable to establish that she had filed any FS overpayment or tax intercept appeal with DHA prior to June 15, 2015.
8. During the July 8, 2015 hearing, the Milwaukee Enrollment Services representative confirmed that the remaining amount of petitioner's FS overpayment was \$33,441 as of that July 8, 2015 hearing date.

### DISCUSSION

Wis. Stat. § 49.85, provides that the department shall, at least annually, certify to the Department of Revenue the amounts that it has determined that it may recover resulting from overpayment of general relief benefits, overissuance of Food Stamps, overpayment of AFDC and Medical Assistance payments made incorrectly.

The Department of Workforce Development must notify the person that it intends to certify the overpayment to the Department of Revenue for setoff from his/her state income tax refund and must inform the person that he/she may appeal the decision by requesting a hearing. *Id.* at § 49.85(3).

The hearing right is described in Wis. Stat. § 49.85(4) (b), as follows:

If a person has requested a hearing under this subsection, the department ... shall hold a contested case hearing under s. 227.44, except that the department ... **may limit the scope of the hearing to exclude issues that were presented at a prior hearing or that could have been presented at a prior opportunity for hearing.**

(Emphasis added)

As noted in Findings of Fact #2 - #4 above, the Petitioner had the opportunity for a prior hearing on the merits of her FS overpayments, but failed to file any timely appeal to DHA.

During the hearing, the petitioner admitted that she received her August 13, 2012 FS overpayment notices and dunning notices. Furthermore, there is no evidence that any of those notices were returned as undeliverable. Moreover, petitioner did not establish with any reliable evidence that she has any problems with her mail delivery.

The petitioner did not dispute the calculation of the FS original overpayment amount of \$34,551, and did not dispute that she had not filed a timely appeal of those FS overpayments. In addition, there have been no issues raised regarding the accuracy of the tax intercept calculation, which is the subject of this review, I must conclude that the interception action is appropriate. The only reason for petitioner's appeal was that she wanted to request to set up a payment plan with the Department. The MES representative suggested that petitioner telephone the Public Assistance Collection Unit to arrange such payment plan.

Based upon the above, the determination by the Department that petitioner was overpaid is affirmed. The petitioner explained that it would be a difficult financial burden to repay the FS overpayment and thus wanted to set up a payment plan. The Department is required to recover all overpayments of public assistance benefits due to client and non-client error, and the state must take all reasonable steps necessary to promptly correct any overpayment. See also, Wis. Stat. § 49.195(3) (...the department shall promptly recover all overpayments made under s. 49.19...); 7 C.F.R. § 273.18(a) ("...The State agency shall establish a claim against any household that has received more food stamp benefits than it is entitled to receive...), Wis. Stat. § 49.125(1). The Department may utilize tax intercept as a means of recovering the overpayment. See, Wis. Stat. § 46.85.

### CONCLUSIONS OF LAW

That the Department has correctly certified a public assistance remaining debt of \$33,441 as of July 8, 2015 in overpaid FS benefits to the Wisconsin Department of Revenue for state income tax refund intercept from the petitioner.

**THEREFORE, it is**

**ORDERED**

The petition for review herein be and the same is hereby Dismissed.

### **REQUEST FOR A REHEARING**

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 5005 University Avenue, Suite 201, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

### **APPEAL TO COURT**

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, Madison, Wisconsin 53703, **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,  
Wisconsin, this 10th day of July, 2015

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\sGary M. Wolkstein  
Administrative Law Judge  
Division of Hearings and Appeals



**State of Wisconsin\DIVISION OF HEARINGS AND APPEALS**

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The preceding decision was sent to the following parties on July 10, 2015.

Milwaukee Enrollment Services  
Public Assistance Collection Unit